

system of medical treatment which was not far from being a national disgrace. In a twenty-one-year review of health insurance by Sir George Newman, chief medical officer of the Ministry of Health, it is pointed out that

"when the Health Insurance Bill was proposed in 1910, we were told that it had three fatal blemishes: first, the scheme was said to be too expensive to be profitable and too elaborate to be worked; secondly, that the doctors would not coöperate in it, and if they did, they would be an inferior part of the medical profession and their treatment would be perfunctory and inadequate; and thirdly, that many of the insurable public desired to be exempted from the scheme devised, and thus the persons actually insured would only be those who wanted something for nothing, who were greedy of benefits, and who would become malingerers. These were fairly formidable complaints about a bill that had got to be passed through Parliament. There was some plausibility about these complaints, but in the short period of twenty years they have each been proved to be substantially false. The scheme was, of course, imperfect at the beginning, and is imperfect now, but on the whole it is beyond dispute that you and your colleagues all over the country have builded better than you knew, and have produced a public medical service incomparably better than the former sick club, slate club or contract medical practice."

All of this must be admitted by anyone familiar with the facts; but the other side demands even more attention. The medical profession has unquestionably been divided into panel and non-panel physicians, the latter assuming an air of superiority; and justly so, in view of better service to their patients. In my judgment it is a foregone conclusion that the present agitation for state medical service will, in course of time, replace national health insurance and establish medical treatment for at least the wage-earning element of the nation at a lower rate of expense, and with a wider range of benefits to the populations concerned.

NATURE OF DISEASES MET WITH IN PANEL PRACTICE

As has been said in an editorial on Sir George Newman's address in the *National Insurance Gazette* of April 12, 1934,

"Sir George does not say anything about cost—that is not his business—nor does he say whether or not we ought to have got much better value for the money spent, though we gather that he has views on that subject. But the facilities provided for the medical treatment of the great mass of workers are better than they were before the National Insurance Act, 1911, came into operation. Again, 'the Health Insurance system has enabled us for the first time . . . to measure the character of our domestic problem of disease.' About half the insured persons suffer from sickness in the year, and approximately 20 per cent suffer from bronchitis, pneumonia, and other diseases of the respiratory system. Thirteen per cent suffer from indigestion, dyspepsia, and other maladies of the alimentary tract. Ten per cent suffer from lumbago and rheumatism; and 10 per cent from injuries, accidents, and septic wounds. That gives us the line of attack."

In other words, most of the medical treatment is for minor ailments, and not for the serious chronic and more costly diseases demanding more skillful attention. The mortality from the latter diseases has not been reduced in England to any measurable degree under national health insurance, and this cannot possibly be achieved under the prevailing methods of panel practice.

(To Be Continued)

FINDING HEALTH INSURANCE FACTS*

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THE California State Medical Association has appointed a fact-finding committee to study health insurance. One of its members will go to Europe, to report how the system works there.

It will be interesting to see what "facts" this board "finds." For "fact-finding" depends as much on the finding as on the facts. Lawyers do their finding one way and doctors another. Paradoxically enough, American physicians, hitherto, have gone at this question more like lawyers.

The physician makes his diagnosis on all the facts. If superficial appearances seem to indicate one thing and the laboratory test shows another, he considers both and determines his treatment accordingly. He has no "side," to "win" or "lose," and his only purpose is results.

The attorney, on the other hand, knows before he starts which side he is on, and seeks authorities and evidence for that side. It is for the opposing attorney to find things for his side. Whichever way the decision is, that lawyer "wins."

Going at it the lawyers' way, the doctors could easily find plenty of material against health insurance. They can find complaints of its operations, abuses and neglects in its "panels," and some health conditions which America has met better than Europe. They can show that, at their own expense, they are meeting individually some problems which Europe meets by organized service at the expense of the insurance funds. As attorneys for the prosecution, they can make half a case.

Or, going at it like doctors, they will find, first, that most of the "facts" are already "found."

Abundant statistical and actuarial information is already available, showing what any system will cost, and what it will do for patients and practitioners. They can learn, even without going to Europe, how the system works there; its faults and its accomplishments, and what produced both. There are plenty of exhaustive reports.

For conclusions, they will find that no country which ever tried health insurance has abandoned it or proposes to do so; that whenever it has been established in one country it has been imitated in others; that the changes have always been in the direction of its extension, never of its curtailment; that it has worked best where the profession coöperated to establishing it, instead of yielding to it afterward; that it has nowhere, except in Russia, where everything is "State," become the bugaboo of "State medicine," and that, whatever

* This article by Chester H. Rowell, Esq., was printed in the *San Francisco Chronicle* on May 29, 1934. Dr. Rowell, who was one of the guest speakers at the Riverside annual session, April 30 to May 3, 1934, on that occasion spoke extemporaneously, and in his busy life as an editor has not found opportunity to transcribe his address. CALIFORNIA AND WESTERN MEDICINE presents his discussion of certain phases of health insurance as he printed them in the *San Francisco Chronicle*, because they reflect some of his viewpoints.

its faults in practice, they are nowhere as great as those of the systems it succeeded.

Civilization has developed two methods of meeting the financial vicissitudes of life—individual thrift, and insurance. And it has pretty well determined which risks shall be met each way. Nobody insures his daily food supply, and everybody insures his house against fire. The difference is that the one is averageable and the other is not.

Whoever is able to pay for his food at all can pay for it each day, out of the earnings of that day. He may need insurance against unemployment, which would stop his earnings, but not against inability to buy food while he is earning.

But nobody could pay for rebuilding his house out of his earnings of the day it burned. Neither can he know beforehand how many days he will have, before it burns, to save the price of rebuilding it. It probably will not burn at all, but it may burn tomorrow. It would be as absurd to guard against fire by individual thrift as to provide each day's food by insurance.

Sickness is definitely in the unaverageable class. Its average cost is quite within the means of anybody who is able to pay for his food, clothes, and shelter. But it never comes, as they do, in average amounts. Most years it does not come at all, or comes so little as to be negligible, in cost and loss. But some time, and it may be tomorrow, a disabling illness will come to each person, stopping his earning power at the very time when it increases his expenses. In this respect it is like fire, against which everybody insures, rather than like food, which nobody insures.

Also sickness, unlike fire, is a social problem. If an individual fails to insure his house, its loss affects only him. Or, if it would affect his creditors, they require him to insure it. Voluntary private health insurance, if adequate (which it rarely is) might meet the individual problem of those who take it out. It cannot meet the social problem, since those whom society most needs to have insured are the very ones who do not do it.

Consequently, every civilized nation except the United States has met this social problem by obligatory social health insurance, covering wages as well as medical care, and including in its obligatory feature practically the same groups which in America are already covered by obligatory industrial accident insurance. For others it is voluntary. And those whose incomes would not be stopped by illness, and who already have a reserve to meet it, are naturally not included in its benefits.

This is experience, with the whole world as its laboratory. Since experience has proved it good for the people, the people are going to establish it here, as they have done everywhere else. But it ought to be made good for the doctors, too. If they will coöperate in its establishment, that can be done. If not, they may impose on themselves, in the beginning, the price which some of their short-sighted colleagues at first paid elsewhere.

GOVERNMENT AS GUARDIAN OF HEALTH OF PEOPLE *

IS STATE OBLIGATED TO PROTECT CITIZEN AGAINST DISEASE AND UNEMPLOYMENT AND IN OLD AGE?

"THIS coming winter, according to a promise by President Roosevelt to the American people, 'We may well undertake the task of furthering the security of the citizen and his family through social insurance.'

"When President Roosevelt was Governor of New York he sent for Dr. Thomas Parran, Jr., then with the United States Public Health Service, to head the New York State Commission of Health. Doctor Parran, speaking at the last meeting of the Joint Conference of the American Academy of Political and Social Science and the College of Physicians of Philadelphia, said:

"Are we to go forward in the coming years, veer left or right? We will not go back. We must assume that in any event we have faith in our capacity to adjust governmental forms to serve the people better than in the immediate past.'

"With the President's proposed social insurance still to be legislated on this winter, it is interesting to go a bit further with Doctor Parran's views.

"If the current economic revolution leads ahead,' says he, 'to a regulated capitalism, with industrial coöperation under governmental control, then we shall almost certainly see various schemes of social insurance—old age, unemployment, and sickness.'

Millions Treated Free

"In recent months approximately 5,000,000 families, almost 18 per cent of the total population, have been receiving their medical services from public funds. Will these groups insist on continued care and medical treatment? The history of the veteran's benefits provides a possible comparable analogy.

"The average physician now is receiving less than half the annual income he received in 1929. Students paying approximately \$12,000 for their ten years' medical study, earn comparatively little during their first eight years of practice. There are two doctors earning less than \$2,500 a year to every physician earning \$10,000.

"State medicine is no new thing. Europe and the Continent have had socialized medicine for many years. In a study made for the Julius Rosenwald Fund, Dr. E. H. L. Corwin, director of the United Hospital Fund of New York, declares that nowhere is there state medicine except in Soviet Russia, where the state is the sole employer and the sole owner of all capital and where the state provides the medical care for the entire population, and where almost all physicians are employees of the state.

"Doctor Corwin qualifies his view to state that there is no country where the state disclaims all responsibility for the care of the sick. He believes

* This article, which presents some other phases of the health insurance problem, is reprinted from the *United States News* of July 16, 1934.